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CHARACTERISTICS OF SELECTED RCS VENDORS

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Characteristics of Selected
RCS Vendors.

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CHARACTERISTICS OF SELECTED RCS VENDORS

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ADP, 1975

TOTAL RCS REVENUE	\$ 16,200,000
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Application Development	\$ 2,200,000	14%
Personal Computing	\$ 8,000,000	49%
Data Banks	\$ 1,000,000	6%
Transaction Processing	\$ 4,400,000	27%
Office Automation	-	-
Data Entry	\$ 600,000	4%

TOTAL RCS EXPENSES	\$ 12,000,000
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Network Costs	\$1,000,000 8%
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Data Communication Lines	\$ 700,000	
Voice Communication Lines	-	
Network Equipment	\$ 200,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 100,000	
Hotline Support	-	
Facilities	-	

Computer Center Costs	\$1,800,000 15%
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Equipment	\$ 800,000	
Systems Programmers, Operators	\$ 600,000	
Hotline Support	-	
Facilities	\$ 400,000	

Development Costs	\$1,400,000 12%
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Database and Software			
Royalty Costs		\$800,000	7%
Databases	\$	400,000	
Exclusive Software		-	
Software Other	\$	400,000	
Marketing Costs		\$5,500,000	46%
Sales People	\$	1,500,000	28%
Administration	\$	900,000	16%
Systems Support	\$	1,100,000	20%
Headquarters Marketing	\$	2,000,000	36%
Headquarters and Overhead		\$1,500,000	12%

OPERATING PROFIT

\$ 4,200,000

Monthly User Profile		
RCS Payment	\$	800
Terminal Payment	\$	100
Modem Payment	\$	20
Local Communication		
Payment	\$	25

BUSINESS PROFILE

Total RCS Assets	\$	12,500,000
Total RCS Employees		265
Total RCS Marketing Employees		170
Total RCS Sales Employees		45
RCS Revenue Per Employee	\$	61,130
RCS Revenue Per Marketing Employee	\$	95,300
RCS Revenue Per Sales Employee	\$	36,000
RCS Return On Assets		34%

ADP, 1980

TOTAL RCS REVENUE	\$117,500,000
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Application Development	\$ 12,000,000	10%
Personal Computing	\$ 33,000,000	28%
Data Banks	\$ 13,000,000	11%
Transaction Processing	\$ 46,000,000	39%
Office Automation	\$ 500,000	1%
Data Entry	\$ 13,000,000	11%

TOTAL RCS EXPENSES	\$ 96,800,000
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Network Costs	\$6,500,000	7%
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Data Communication Lines	\$ 4,200,000	
Voice Communication Lines	-	
Network Equipment	\$ 1,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 300,000	
Hotline Support	-	
Facilities	\$ 1,000,000	

Computer Center Costs	\$18,000,000	19%
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Equipment	\$ 12,700,000	
Systems Programmers, Operators	\$ 3,000,000	
Hotline Support	\$ 800,000	
Facilities	\$ 1,500,000	

Development Costs	\$8,000,000	8%
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Database and Software Royalty Costs		\$8,000,000	8%
Databases	\$ 4,000,000		
Exclusive Software	\$ 1,000,000		
Software Other	\$ 3,000,000		
Marketing Costs		\$40,000,000	41%
Sales People	\$ 9,000,000	23%	
Administration	\$ 8,500,000	21%	
Systems Support	\$ 7,500,000	19%	
Headquarters Marketing	\$ 15,000,000	37%	
Headquarters and Overhead		\$16,300,000	17%

OPERATING PROFIT

\$ 20,700,000

Monthly User Profile		
RCS Payment	\$	1,200
Terminal Payment	\$	100
Modem Payment	\$	30
Local Communication Payment	\$	40

BUSINESS PROFILE

Total RCS Assets	\$ 85,000,000
Total RCS Employees	2,000
Total RCS Marketing Employees	800
Total RCS Sales Employees	295
RCS Revenue Per Employee	\$ 58,750
RCS Revenue Per Marketing Employee	\$ 146,875
RCS Revenue Per Sales Employee	\$ 398,300
RCS Return On Assets	24%

ADP, 1986

TOTAL RCS REVENUE	\$485,000,000
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Application Development	\$ 45,000,000	9%
Personal Computing	\$ 85,000,000	18%
Data Banks	\$ 20,000,000	4%
Transaction Processing	\$260,000,000	54%
Office Automation	\$ 5,000,000	1%
Data Entry	\$ 70,000,000	14%

TOTAL RCS EXPENSES	\$380,000,000
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Network Costs	\$40,000,000 11%
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Data Communication Lines	\$ 20,000,000	
Voice Communication Lines	-	
Network Equipment	\$ 15,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 2,000,000	
Hotline Support	\$ 1,000,000	
Facilities	\$ 2,000,000	

Computer Center Costs	\$87,000,000 23%
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Equipment	\$ 50,000,000	
Systems Programmers, Operators	\$ 20,000,000	
Hotline Support	\$ 2,000,000	
Facilities	\$ 15,000,000	

Development Costs	\$20,000,000 5%
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Database and Software			
Royalty Costs		\$20,000,000	5%
Databases	\$ 8,000,000		
Exclusive Software	\$ 5,000,000		
Software Other	\$ 7,000,000		
Marketing Costs		\$160,000,000	42%
Sales People	\$ 45,000,000	28%	
Administration	\$ 34,000,000	21%	
Systems Support	\$ 36,000,000	23%	
Headquarters Marketing	\$ 45,000,000	28%	
Headquarters and Overhead		\$53,000,000	14%
OPERATING PROFIT			\$105,000,000

Monthly User Profile		
RCS Payment	\$	1,800
Terminal Payment	\$	175
Modem Payment	\$	40
Local Communication Payment	\$	50

BUSINESS PROFILE		
Total RCS Assets		\$375,000,000
Total RCS Employees		6,470
Total RCS Marketing Employees		2,750
Total RCS Sales Employees		1,040
RCS Revenue Per Employee	\$	75,000
RCS Revenue Per Marketing Employee	\$	176,360
RCS Revenue Per Sales Employee	\$	425,000
RCS Return On Assets		28%

CSC/INFONET, 1975

TOTAL RCS REVENUE \$37,900,000

Application Development	\$ 10,000,000	26%
Personal Computing	\$ 15,000,000	40%
Data Banks	-	-
Transaction Processing	\$ 10,000,000	26%
Office Automation	-	-
Data Entry	\$ 2,900,000	8%

TOTAL RCS EXPENSES \$30,900,000

Network Costs \$3,100,000 10%

Data Communication Lines	\$ 1,700,000
Voice Communication Lines	-
Network Equipment	\$ 900,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 500,000
Hotline Support	-
Facilities	-

Computer Center Costs \$10,000,000 32%

Equipment	\$ 6,000,000
Systems Programmers, Operators	\$ 2,900,000
Hotline Support	\$ 100,000
Facilities	\$ 1,000,000

Development Costs \$3,000,000 10%

Database and Software Royalty Costs		\$100,000	1%
Databases	-		
Exclusive Software	-		
Software Other	\$ 100,000		
Marketing Costs		\$12,200,000	40%
Sales People	\$ 4,200,000	25%	
Administration	\$ 3,000,000	22%	
Systems Support	\$ 2,000,000	21%	
Headquarters Marketing	\$ 3,000,000	32%	
Headquarters and Overhead		\$2,500,000	8%
OPERATING PROFIT		\$ 7,000,000	

Monthly User Profile	
RCS Payment	\$ 2,500
Terminal Payment	\$ 125
Modem Payment	\$ 20
Local Communication Payment	\$ 80

BUSINESS PROFILE

Total RCS Assets	\$27,000,000
Total RCS Employees	700
Total RCS Marketing Employees	220
Total RCS Sales Employees	60
RCS Revenue Per Employee	\$ 54,143
RCS Revenue Per Marketing Employee	\$ 172,270
RCS Revenue Per Sales Employee	\$ 631,670
RCS Return On Asset	26%

CSC/INFONET, 1980

TOTAL RCS REVENUE \$79,900,000

Application Development	\$ 17,000,000	21%
Personal Computing	\$ 20,400,000	26%
Data Banks	\$ 800,000	1%
Transaction Processing	\$ 37,000,000	46%
Office Automation	-	-
Data Entry	\$ 4,700,000	6%

TOTAL RCS EXPENSES \$59,400,000

Network Costs \$8,300,000 14%

Data Communication Lines	\$ 3,400,000
Voice Communication Lines	-
Network Equipment	\$ 3,100,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 1,800,000
Hotline Support	-
Facilities	-

Computer Center Costs \$16,100,000 27%

Equipment	\$ 9,500,000
Systems Programmers, Operators	\$ 3,300,000
Hotline Support	\$ 200,000
Facilities	\$ 3,100,000

Development Costs \$6,000,000 10%

Database and Software Royalty Costs		\$800,000	1%
Databases	\$ 300,000		
Exclusive Software	\$ 100,000		
Software Other	\$ 400,000		

Marketing Costs		\$22,000,000	37%
Sales People	\$ 8,900,000	40%	
Administration	\$ 4,000,000	18%	
Systems Support	\$ 5,000,000	23%	
Headquarters Marketing	\$ 4,100,000	19%	

Headquarters and Overhead		\$6,200,000	11%
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OPERATING PROFIT

\$20,500,000

Monthly User Profile		
RCS Payment	\$ 1,200,000	
Terminal Payment	\$ 100	
Modem Payment	\$ 30	
Local Communication Payment	\$ 50	

BUSINESS PROFILE

Total RCS Assets	\$65,000,000
Total RCS Employees	11,040
Total RCS Marketing Employees	540
Total RCS Sales Employees	170
RCS Revenue Per Employee	70,100
RCS Revenue Per Marketing Employee	\$ 148,000
RCS Revenue Per Sales Employee	\$ 470,000
RCS Return On Assets	32%

CSC/INFONET, 1986

TOTAL RCS REVENUE	\$332,000,000
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Application Development	\$ 60,000,000	18%
Personal Computing	\$ 50,000,000	15%
Data Banks	\$ 4,000,000	1%
Transaction Processing	\$180,000,000	54%
Office Automation	\$ 2,000,000	1%
Data Entry	\$ 36,000,000	11%

TOTAL RCS EXPENSES	\$282,000,000
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Network Costs	\$30,000,000	11%
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Data Communication Lines	\$ 13,000,000	
Voice Communication Lines	-	
Network Equipment	\$ 12,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 3,500,000	
Hotline Support	\$ 500,000	
Facilities	\$ 1,000,000	

Computer Center Costs	\$70,000,000	25%
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Equipment	\$ 35,000,000	
Systems Programmers, Operators	\$ 21,000,000	
Hotline Support	\$ 1,000,000	
Facilities	\$ 13,000,000	

Development Costs	\$30,000,000	11%
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Database and Software Royalty Costs		\$4,000,000	1%
Databases	\$ 1,000,000		
Exclusive Software	\$ 1,000,000		
Software Other	\$ 2,000,000		
Marketing Costs		\$116,000,000	41%
Sales People	\$ 29,000,000	25%	
Administration	\$ 26,000,000	22%	
Systems Support	\$ 24,000,000	21%	
Headquarters Marketing	\$ 37,000,000	32%	
Headquarters and Overhead		\$32,000,000	11%

OPERATING PROFIT \$ 50,000,000

Monthly User Profile	
RCS Payment	\$ 1,800
Terminal Payment	\$ 200
Modem Payment	\$ 40
Local Communication Payment	\$ 60

BUSINESS PROFILE

Total RCS Assets	\$200,000,000
Total RCS Employees	4,000
Total RCS Marketing Employees	1,800
Total RCS Sales Employees	580
RCS Revenue Per Employee	\$ 83,000
RCS Revenue Per Marketing Employee	\$ 184,440
RCS Revenue Per Sales Employee	\$ 572,410
RCS Return On Assets	25%

CONTROL DATA CORPORATION, 1975

TOTAL RCS REVENUE \$115,000,000

Application Development	\$ 12,000,000	10%
Personal Computing	\$ 50,000,000	44%
Data Banks	\$ 5,000,000	4%
Transaction Processing	\$ 42,000,000	37%
Office Automation	-	-
Data Entry	\$ 6,000,000	5%

TOTAL RCS EXPENSES \$ 87,000,000

Network Costs \$5,000,000 6%

Data Communication Lines	\$ 3,500,000
Voice Communication Lines	-
Network Equipment	\$ 800,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 700,000
Hotline Support	\$ 500,000
Facilities	-

Computer Center Costs \$18,000,000 21%

Equipment	\$ 12,000,000
Systems Programmers, Operators	\$ 3,000,000
Hotline Support	\$ 500,000
Facilities	\$ 2,500,000

Development Costs \$3,000,000 3%

Database and Software
Royalty Costs

\$7,000,000 8%

Databases	\$ 2,000,000
Exclusive Software	\$ 1,000,000
Software Other	\$ 4,000,000

Marketing Costs

\$40,000,000 46%

Sales People	\$ 10,000,000	25%
Administration	\$ 9,000,000	23%
Systems Support	\$ 8,000,000	20%
Headquarters Marketing	\$ 13,000,000	32%

Headquarters and Overhead

\$14,000,000 16%

OPERATING PROFIT

\$ 28,000,000

Monthly User Profile

RCS Payment	\$ 900
Terminal Payment	\$ 100
Modem Payment	\$ 20
Local Communication Payment	\$ 25

BUSINESS PROFILE

Total RCS Assets	-
Total RCS Employees	2,400
Total RCS Marketing Employees	800
Total RCS Sales Employees	300
RCS Revenue Per Employee	\$ 47,920
RCS Revenue Per Marketing Employee	\$ 143,750
RCS Revenue Per Sales Employee	\$ 383,300
RCS Return On Assets	-

CONTROL DATA CORPORATION, 1980

TOTAL RCS REVENUE \$332,000,000

Application Development	\$ 25,000,000	8%
Personal Computing	\$145,000,000	44%
Data Banks	\$ 12,000,000	4%
Transaction Processing	\$130,000,000	39%
Office Automation	-	-
Data Entry	\$ 20,000,000	6%

TOTAL RCS EXPENSES \$266,000,000

Network Costs		\$18,000,000	7%
Data Communication Lines	\$ 11,200,000		
Voice Communication Lines	-		
Network Equipment	\$ 3,000,000		
If RCS Supplied Modems	-		
Systems Programmers, Operators	\$ 2,000,000		
Hotline Support	\$ 800,000		
Facilities	\$ 1,000,000		

Computer Center Costs		\$38,000,000	14%
Equipment	\$ 26,000,000		
Systems Programmers, Operators	\$ 7,000,000		
Hotline Support	\$ 1,000,000		
Facilities	\$ 4,000,000		

Development Costs		\$15,000,000	6%
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Database and Software			
Royalty Costs		\$25,000,000	9%
Databases	\$ 5,000,000		
Exclusive Software	\$ 5,000,000		
Software Other	\$ 15,000,000		

Marketing Costs		\$130,000,000	49%
Sales People	\$ 32,000,000	25%	
Administration	\$ 29,000,000	22%	
Systems Support	\$ 25,000,000	19%	
Headquarters Marketing	\$ 44,000,000	34%	

Headquarters and Overhead		\$40,000,000	15%
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OPERATING PROFIT

\$ 66,000,000

Monthly User Profile		
RCS Payment	\$ 1,100	
Terminal Payment	\$ 100	
Modem Payment	\$ 30	
Local Communication Payment	\$ 40	

BUSINESS PROFILE

Total RCS Assets	-
Total RCS Employees	6,000
Total RCS Marketing Employees	2,200
Total RCS Sales Employees	700
RCS Revenue Per Employee	\$ 55,330
RCS Revenue Per Marketing Employee	\$ 150,900
RCS Revenue Per Sales Employee	\$ 474,285
RCS Return On Assets	-

CONTROL DATA CORPORATION, 1986

TOTAL RCS REVENUE	\$854,000,000
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Application Development	\$ 90,000,000	11%
Personal Computing	\$380,000,000	45%
Data Banks	\$ 20,000,000	2%
Transaction Processing	\$300,000,000	35%
Office Automation	\$ 4,000,000	-
Data Entry	\$ 60,000,000	7%

TOTAL RCS EXPENSES	\$689,000,000
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Network Costs	\$80,000,000	12%
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Data Communication Lines	\$ 42,000,000
Voice Communication Lines	-
Network Equipment	\$ 25,000,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 6,500,000
Hotline Support	\$ 1,500,000
Facilities	\$ 5,000,000

Computer Center Costs	\$150,000,000	22%
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Equipment	\$100,000,000
Systems Programmers, Operators	\$ 33,000,000
Hotline Support	\$ 2,000,000
Facilities	\$ 15,000,000

Development Costs	\$35,000,000	5%
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Database and Software			
Royalty Costs		\$43,000,000	6%
Databases	\$ 8,000,000		
Exclusive Software	\$ 10,000,000		
Software Other	\$ 25,000,000		
Marketing Costs		\$267,000,000	39%
Sales People	\$ 66,000,000	25%	
Administration	\$ 60,000,000	22%	
Systems Support	\$ 51,000,000	19%	
Headquarters Marketing	\$ 90,000,000	34%	
Headquarters and Overhead		\$114,000,000	16%
OPERATING PROFIT			\$165,000,000

Monthly User Profile		
RCS Payment	\$	1,800
Terminal Payment	\$	175
Modem Payment	\$	40
Local Communication Payment	\$	50

BUSINESS PROFILE

Total RCS Assets		\$650,000,000
Total RCS Employees		14,230
Total RCS Marketing Employees		5,340
Total RCS Sales Employees		1,640
RCS Revenue Per Employee	\$	60,000
RCS Revenue Per Marketing Employee	\$	160,000
RCS Revenue Per Sales Employee	\$	520,000
RCS Return On Assets		25%

NATIONAL CSS, 1975

TOTAL RCS REVENUE	\$ 25,700,000
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Application Development	\$ 10,000,000	39%
Personal Computing	\$ 8,000,000	31%
Data Banks	\$ 700,000	3%
Transaction Processing	\$ 6,000,000	23%
Office Automation	-	-
Data Entry	\$ 1,000,000	4%

TOTAL RCS EXPENSES	\$ 22,200,000
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Network Costs	\$2,600,000	12%
Data Communication Lines	\$ 900,000	
Voice Communication Lines	-	
Network Equipment	\$ 1,200,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 500,000	
Hotline Support	-	
Facilities	-	

Computer Center Costs	\$7,800,000	35%
Equipment	\$ 5,300,000	
Systems Programmers, Operators	\$ 1,000,000	
Hotline Support	\$ 500,000	
Facilities	\$ 1,000,000	

Development Costs	\$2,000,000	9%
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Database and Software Royalty Costs		\$1,100,000	5%
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Databases	\$	100,000	
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Exclusive Software		-	
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Software Other	\$	1,000,000	
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Marketing Costs		\$6,100,000	27%
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Sales People	\$	1,700,000	28%
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Administration	\$	1,200,000	20%
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Systems Support	\$	1,100,000	18%
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Headquarters Marketing	\$	2,100,000	34%
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Headquarters and Overhead		\$2,600,000	12%
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OPERATING PROFIT		\$	3,500,000
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Monthly User Profile

RCS Payment	\$	1,500
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Terminal Payment	\$	125
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Modem Payment	\$	20
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Local Communication Payment	\$	30
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BUSINESS PROFILE

Total RCS Assets	\$	18,000,000
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Total RCS Employees		500
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Total RCS Marketing Employees		225
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Total RCS Sales Employees		65
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RCS Revenue Per Employee	\$	51,400
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RCS Revenue Per Marketing Employee	\$	114,200
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RCS Revenue Per Sales Employee	\$	395,400
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RCS Return On Assets		19%
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NATIONAL CSS, 1980

TOTAL RCS REVENUE	\$ 73,500,000
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Application Development	\$ 18,500,000	25%
Personal Computing	\$ 13,000,000	18%
Data Banks	\$ 5,000,000	7%
Transaction Processing	\$ 30,000,000	41%
Office Automation	\$ 1,000,000	1%
Data Entry	\$ 6,000,000	8%

TOTAL RCS EXPENSES	\$ 63,500,000
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Network Costs	\$8,200,000	13%
Data Communication Lines	\$ 4,000,000	
Voice Communication Lines	-	
Network Equipment	\$ 3,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 1,200,000	
Hotline Support	-	
Facilities	-	

Computer Center Costs	\$17,600,000	28%
Equipment	\$ 13,000,000	
Systems Programmers, Operators	\$ 2,000,000	
Hotline Support	\$ 600,000	
Facilities	\$ 2,000,000	

Development Costs	\$6,000,000	9%
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Database and Software			
Royalty Costs		\$5,000,000	8%
Databases	\$ 1,000,000		
Exclusive Software	\$ 1,000,000		
Software Other	\$ 3,000,000		
Marketing Costs		\$17,700,000	28%
Sales People	\$ 4,500,000	25%	
Administration	\$ 3,500,000	20%	
Systems Support	\$ 4,200,000	24%	
Headquarters Marketing	\$ 5,500,000	31%	
Headquarters and Overhead		\$9,000,000	14%
OPERATING PROFIT			\$ 10,000,000

Monthly User Profile		
RCS Payment	\$ 1,800	
Terminal Payment	\$ 100	
Modem Payment	\$ 30	
Local Communication		
Payment	\$ 40	

BUSINESS PROFILE		
Total RCS Assets		\$ 50,000,000
Total RCS Employees		1,200
Total RCS Marketing Employees		400
Total RCS Sales Employees		160
RCS Revenue Per Employee	\$ 61,250	
RCS Revenue Per Marketing Employee	\$ 183,750	
RCS Revenue Per Sales Employee	\$ 459,375	
RCS Return On Assets		20%

NATIONAL CSS, 1986

TOTAL RCS REVENUE \$380,000,000

Application Development	\$ 50,000,000	13%
Personal Computing	\$ 40,000,000	10.5%
Data Banks	\$ 40,000,000	10.5%
Transaction Processing	\$200,000,000	53%
Office Automation	\$ 10,000,000	3%
Data Entry	\$ 40,000,000	10%

TOTAL RCS EXPENSES \$323,000,000

Network Costs \$35,000,000 11%

Data Communication Lines	\$ 16,000,000
Voice Communication Lines	-
Network Equipment	\$ 13,000,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 4,500,000
Hotline Support	\$ 500,000
Facilities	\$ 1,000,000

Computer Center Costs \$90,000,000 28%

Equipment	\$ 62,000,000
Systems Programmers, Operators	\$ 17,000,000
Hotline Support	\$ 1,000,000
Facilities	\$ 10,000,000

Development Costs \$20,000,000 6%

Database and Software
Royalty Costs

\$30,000,000 9%

Databases	\$ 10,000,000
Exclusive Software	\$ 10,000,000
Software Other	\$ 10,000,000

Marketing Costs

\$113,000,000 35%

Sales People	\$ 36,000,000	32%
Administration	\$ 25,000,000	22%
Systems Support	\$ 21,000,000	19%
Headquarters Marketing	\$ 31,000,000	27%

Headquarters and Overhead

\$35,000,000 11%

OPERATING PROFIT

\$ 57,000,000

Monthly User Profile

RCS Payment	\$ 2,200
Terminal Payment	\$ 200
Modem Payment	\$ 40
Local Communication Payment	\$ 60

BUSINESS PROFILE

Total RCS Assets	\$185,000,000
Total RCS Employees	5,430
Total RCS Marketing Employees	1,270
Total RCS Sales Employees	690
RCS Revenue Per Employee	\$ 70,000
RCS Revenue Per Marketing Employee	\$ 200,000
RCS Revenue Per Sales Employee	\$ 550,000
RCS Return On Assets	31%

TYMSHARE, 1975

TOTAL RCS REVENUE \$47,800,000

Application Development	\$ 8,000,000	17%
Personal Computing	\$ 19,800,000	42%
Data Banks	\$ 1,000,000	2%
Transaction Processing	\$ 14,000,000	29%
Office Automation	-	-
Data Entry	\$ 5,000,000	10%

TOTAL RCS EXPENSES \$38,800,000

Network Costs		\$5,100,000	13%
Data Communication Lines	\$ 3,000,000		
Voice Communication Lines	-		
Network Equipment	\$ 1,200,000		
If RCS Supplied Modems	-		
Systems Programmers, Operators	\$ 900,000		
Hotline Support	-		
Facilities	-		

Computer Center Costs		\$11,100,000	29%
Equipment	\$ 6,600,000		
Systems Programmers, Operators	\$ 2,200,000		
Hotline Support	\$ 300,000		
Facilities	\$ 2,000,000		

Development Costs \$2,400,000 6%

Database and Software Royalty Costs		\$1,400,000	4%
Databases	\$ 500,000		
Exclusive Software	-		
Software Other	\$ 900,000		

Marketing Costs		\$13,600,000	35%
Sales People	\$ 5,000,000	37%	
Administration	\$ 1,800,000	13%	
Systems Support	\$ 3,200,000	24%	
Headquarters Marketing	\$ 3,600,000	26%	

Headquarters and Overhead		\$5,200,000	13%
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OPERATING PROFIT \$ 9,000,000

Monthly User Profile		
RCS Payment	\$ 1,000	
Terminal Payment	\$ 125	
Modem Payment	\$ 20	
Local Communication Payment	\$ 30	

BUSINESS PROFILE

Total RCS Assets	\$37,300,000
Total RCS Employees	1,000
Total RCS Marketing Employees	370
Total RCS Sales Employees	150
RCS Revenue Per Employee	\$ 47,800
RCS Revenue Per Marketing Employee	\$ 129,190
RCS Revenue Per Sales Employee	\$ 318,670
RCS Return On Assets	24%

TYMSHARE, 1980

TOTAL RCS REVENUE \$140,000,000

Application Development	\$ 14,000,000	10%
Personal Computing	\$ 37,000,000	28%
Data Banks	\$ 4,000,000	3%
Transaction Processing	\$ 60,000,000	42%
Office Automation	\$ 5,000,000	3%
Data Entry	\$ 20,000,000	14%

TOTAL RCS EXPENSES \$112,000,000

Network Costs \$9,800,000 9%

Data Communication Lines	\$ 6,000,000
Voice Communication Lines	-
Network Equipment	\$ 2,500,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 1,300,000
Hotline Support	-
Facilities	-

Computer Center Costs \$26,600,000 24%

Equipment	\$ 11,600,000
Systems Programmers, Operators	\$ 6,200,000
Hotline Support	\$ 800,000
Facilities	\$ 8,000,000

Development Costs \$7,000,000 6%

Database and Software Royalty Costs		\$18,000,000	16%
Databases	\$ 3,000,000		
Exclusive Software	\$ 10,000,000		
Software Other	\$ 5,000,000		

Marketing Costs		\$33,600,000	30%
Sales People	\$ 9,000,000	27%	
Administration	\$ 8,100,000	24%	
Systems Support	\$ 7,500,000	22%	
Headquarters Marketing	\$ 9,000,000	27%	

Headquarters and Overhead		\$17,000,000	15%
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OPERATING PROFIT		\$ 28,000,000
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Monthly User Profile	
RCS Payment	\$ 1,800
Terminal Payment	\$ 100
Modem Payment	\$ 30
Local Communication Payment	\$ 40

BUSINESS PROFILE

Total RCS Assets	\$100,000,000
Total RCS Employees	2,200
Total RCS Marketing Employees	850
Total RCS Sales Employees	290
RCS Revenue Per Employee	\$ 70,000
RCS Revenue Per Marketing Employee	\$ 164,700
RCS Revenue Per Sales Employee	\$ 482,760
RCS Return On Assets	28%

TYMSHARE, 1986

TOTAL RCS REVENUE \$580,000,000

Application Development	\$ 50,000,000	9%
Personal Computing	\$100,000,000	17%
Data Banks	\$ 25,000,000	4%
Transaction Processing	\$300,000,000	52%
Office Automation	\$ 30,000,000	5%
Data Entry	\$ 75,000,000	13%

TOTAL RCS EXPENSES \$460,000,000

Network Costs \$48,000,000 10%

Data Communication Lines	\$ 25,000,000
Voice Communication Lines	-
Network Equipment	\$ 15,000,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 7,000,000
Hotline Support	\$ 1,000,000
Facilities	-

Computer Center Costs \$95,000,000 21%

Equipment	\$ 46,000,000
Systems Programmers, Operators	\$ 35,000,000
Hotline Support	\$ 2,000,000
Facilities	\$ 12,000,000

Development Costs \$35,000,000 8%

Database and Software			
Royalty Costs		\$60,000,000	13%
Databases	\$ 10,000,000		
Exclusive Software	\$ 30,000,000		
Software Other	\$ 20,000,000		

Marketing Costs		\$158,000,000	34%
Sales People	\$ 44,000,000	28%	
Administration	\$ 28,000,000	18%	
Systems Support	\$ 36,000,000	23%	
Headquarters Marketing	\$ 50,000,000	31%	

Headquarters and Overhead		\$64,000,000	14%
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OPERATING PROFIT

\$120,000,000

Monthly User Profile		
RCS Payment	\$	2,200
Terminal Payment	\$	175
Modem Payment	\$	30
Local Communication		
Payment	\$	60

BUSINESS PROFILE

Total RCS Assets		\$375,000,000
Total RCS Employees		6,450
Total RCS Marketing Employees		2,600
Total RCS Sales Employees		1,100
RCS Revenue Per Employee	\$	89,920
RCS Revenue Per Marketing Employee	\$	223,100
RCS Revenue Per Sales Employee	\$	525,000
RCS Return On Assets		32%

UNITED INFORMATION SYSTEMS, 1975

TOTAL RCS REVENUE	\$ 35,500,000
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Application Development	\$ 4,000,000	11%
Personal Computing	\$ 18,000,000	51%
Data Banks	\$ 1,000,000	3%
Transaction Processing	\$ 10,500,000	29%
Office Automation	-	-
Data Entry	\$ 2,000,000	6%

TOTAL RCS EXPENSES	\$ 33,200,000
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Network Costs	\$4,000,000	12%
Data Communication Lines	\$ 2,500,000	
Voice Communication Lines	-	
Network Equipment	\$ 1,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 500,000	
Hotline Support	-	
Facilities	-	

Computer Center Costs	\$10,000,000	30%
Equipment	\$ 7,000,000	
Systems Programmers, Operators	\$ 1,900,000	
Hotline Support	\$ 100,000	
Facilities	\$ 1,000,000	

Development Costs	\$1,700,000	5%
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Database and Software Royalty Costs	\$2,500,000	8%
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Databases	\$	200,000
Exclusive Software	\$	500,000
Software Other	\$	1,800,000

Marketing Costs	\$12,600,000	38%
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Sales People	\$	3,600,000	28%
Administration	\$	3,000,000	24%
Systems Support	\$	3,000,000	24%
Headquarters Marketing	\$	3,000,000	24%

Headquarters and Overhead	\$2,400,000	7%
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OPERATING PROFIT	\$	2,300,000
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Monthly User Profile

RCS Payment	\$	1,000
Terminal Payment	\$	100
Modem Payment	\$	20
Local Communication Payment	\$	25

BUSINESS PROFILE

Total RCS Assets	-
Total RCS Employees	800
Total RCS Marketing Employees	430
Total RCS Sales Employees	120
RCS Revenue Per Employee	\$ 44,375
RCS Revenue Per Marketing Employee	\$ 82,560
RCS Revenue Per Sales Employee	\$ 295,830
RCS Return On Assets	-

UNITED INFORMATION SYSTEMS, 1980

TOTAL RCS REVENUE \$ 85,000,000

Application Development	\$ 10,000,000	12%
Personal Computing	\$ 50,000,000	59%
Data Banks	\$ 2,000,000	2%
Transaction Processing	\$ 20,000,000	24%
Office Automation	-	-
Data Entry	\$ 3,000,000	3%

TOTAL RCS EXPENSES \$ 79,000,000

Network Costs \$12,000,000 15%

Data Communication Lines	\$ 8,000,000
Voice Communication Lines	-
Network Equipment	\$ 2,000,000
If RCS Supplied Modems	-
Systems Programmers, Operators	\$ 1,000,000
Hotline Support	-
Facilities	\$ 1,000,000

Computer Center Costs \$21,000,000 27%

Equipment	\$ 13,300,000
Systems Programmers, Operators	\$ 4,500,000
Hotline Support	\$ 500,000
Facilities	\$ 2,700,000

Development Costs \$3,000,000 4%

Database and Software Royalty Costs	\$6,000,000	8%
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Databases	\$ 1,000,000
Exclusive Software	\$ 1,000,000
Software Other	\$ 4,000,000

Marketing Costs	\$26,400,000	33%
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Sales People	\$ 7,000,000	26.5%
Administration	\$ 7,000,000	26.5%
Systems Support	\$ 5,000,000	19%
Headquarters Marketing	\$ 7,400,000	28%

Headquarters and Overhead	\$10,600,000	13%
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OPERATING PROFIT	\$ 6,000,000
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Monthly User Profile

RCS Payment	\$ 1,600
Terminal Payment	\$ 125
Modem Payment	\$ 30
Local Communication Payment	\$ 40

BUSINESS PROFILE

Total RCS Assets	\$ 70,000,000
Total RCS Employees	1,324
Total RCS Marketing Employees	625
Total RCS Sales Employees	200
RCS Revenue Per Employee	\$ 64,200
RCS Revenue Per Marketing Employee	\$ 136,000
RCS Revenue Per Sales Employee	\$ 425,000
RCS Return On Assets	9%

UNITED INFORMATION SYSTEMS, 1986

TOTAL RCS REVENUE	\$291,000,000
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Application Development	\$ 30,000,000	10%
Personal Computing	\$125,000,000	43%
Data Banks	\$ 6,000,000	2%
Transaction Processing	\$100,000,000	35%
Office Automation	\$ 10,000,000	3%
Data Entry	\$ 20,000,000	7%

TOTAL RCS EXPENSES	\$265,000,000
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Network Costs	\$30,000,000	11%
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Data Communication Lines	\$ 14,000,000	
Voice Communication Lines	-	
Network Equipment	\$ 12,000,000	
If RCS Supplied Modems	-	
Systems Programmers, Operators	\$ 2,500,000	
Hotline Support	\$ 500,000	
Facilities	\$ 1,000,000	

Computer Center Costs	\$63,000,000	24%
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Equipment	\$ 40,000,000	
Systems Programmers, Operators	\$ 14,200,000	
Hotline Support	\$ 800,000	
Facilities	\$ 8,000,000	

Development Costs	\$13,000,000	5%
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Database and Software Royalty Costs		\$32,000,000	12%
Databases	\$ 3,000,000		
Exclusive Software	\$ 14,000,000		
Software Other	\$ 15,000,000		

Marketing Costs		\$106,000,000	40%
Sales People	\$ 34,500,000	33%	
Administration	\$ 23,500,000	22%	
Systems Support	\$ 18,000,000	17%	
Headquarters Marketing	\$ 30,000,000	28%	

Headquarters and Overhead		\$21,000,000	8%
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OPERATING PROFIT		\$ 26,000,000	
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Monthly User Profile		
RCS Payment	\$	1,800
Terminal Payment	\$	175
Modem Payment	\$	40
Local Communication Payment	\$	50

BUSINESS PROFILE

Total RCS Assets	\$200,000,000
Total RCS Employees	4,850
Total RCS Marketing Employees	1,940
Total RCS Sales Employees	580
RCS Revenue Per Employee	\$ 60,000
RCS Revenue Per Marketing Employee	\$ 150,000
RCS Revenue Per Sales Employee	\$ 500,000
RCS Return On Assets	13%

COMPOSITE DATA SHEET
APPLICATION DEVELOPMENT
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 78.0%

NETWORK COSTS 4.5%

DATALINE COSTS 3.2%

COMPUTING CENTER COSTS 31.8%

EQUIPMENT COSTS 12.8%

DEVELOPMENT COSTS 8.8%

ROYALTY COSTS - -

MARKETING COSTS 29.2%

HEADQUARTERS AND OVER-
HEAD COSTS 3.7%

PROFITS 22.0%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 3,300

TERMINAL PAYMENT \$ 200

MODEM PAYMENT \$ 40

COMMUNICATIONS PAYMENT \$ 100

INPUT

COMPOSITE DATA SHEET
APPLICATION DEVELOPMENT
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 84.5%

NETWORK COSTS 3.9%

DATALINE COSTS 2.7%

COMPUTING CENTER COSTS 25.6%

EQUIPMENT COSTS 13.4%

DEVELOPMENT COSTS 14.0%

ROYALTY COSTS - -

MARKETING COSTS 30.7%

HEADQUARTERS AND OVER-
HEAD COSTS 10.3%

PROFITS 15.5%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 5,000

TERMINAL PAYMENT \$ 375

MODEM PAYMENT \$ 75

COMMUNICATIONS PAYMENT \$ 200

INPUT

COMPOSITE DATA SHEET
APPLICATION DEVELOPMENT
1986

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 84.2%

NETWORK COSTS 7.3%

DATALINE COSTS 4.0%

COMPUTING CENTER COSTS 22.2%

EQUIPMENT COSTS 15.3%

DEVELOPMENT COSTS 9.4%

ROYALTY COSTS 2.9%

MARKETING COSTS 28.3%

HEADQUARTERS AND OVER-
HEAD COSTS 9.8%

PROFITS 15.8%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 2,000

TERMINAL PAYMENT \$ 200

MODEM PAYMENT \$ 80

COMMUNICATIONS PAYMENT \$ 100

INPUT

COMPOSITE DATA SHEET
DATA ENTRY
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 80.3%

NETWORK COSTS 25.0%

DATALINE COSTS 14.0%

COMPUTING CENTER COSTS 12.9%

EQUIPMENT COSTS 8.6%

DEVELOPMENT COSTS 7.7%

ROYALTY COSTS - -

MARKETING COSTS 28.3%

HEADQUARTERS AND OVER-
HEAD COSTS 6.4%

PROFITS 19.7%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 320

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 25

COMMUNICATIONS PAYMENT \$ 20

INPUT

COMPOSITE DATA SHEET
DATA ENTRY
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 85.2%

NETWORK COSTS	26.4%
DATALINE COSTS	11.0%
COMPUTING CENTER COSTS	16.5%
EQUIPMENT COSTS	6.5%
DEVELOPMENT COSTS	8.5%
ROYALTY COSTS	- -
MARKETING COSTS	26.4%
HEADQUARTERS AND OVER- HEAD COSTS	7.4%

PROFITS 14.8%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT	\$	600
TERMINAL PAYMENT	\$	100
MODEM PAYMENT	\$	20
COMMUNICATIONS PAYMENT	\$	60

COMPOSITE DATA SHEET
DATA ENTRY
1986

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 84.8%

NETWORK COSTS 21.0%

DATALINE COSTS 10.4%

COMPUTING CENTER COSTS 24.0%

EQUIPMENT COSTS 5.5%

DEVELOPMENT COSTS 5.1%

ROYALTY COSTS - -

MARKETING COSTS 30.5%

HEADQUARTERS AND OVER-
HEAD COSTS 4.2%

PROFITS 15.2%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 800

TERMINAL PAYMENT \$ 175

MODEM PAYMENT \$ 40

COMMUNICATIONS PAYMENT \$ 60

INPUT

COMPOSITE DATA SHEET
OFFICE AUTOMATION
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES --

NETWORK COSTS - -

DATALINE COSTS - -

COMPUTING CENTER COSTS - -

EQUIPMENT COSTS - -

DEVELOPMENT COSTS - -

ROYALTY COSTS - -

MARKETING COSTS - -

HEADQUARTERS AND OVER-
HEAD COSTS - -

PROFITS --

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT - -

TERMINAL PAYMENT - -

MODEM PAYMENT - -

COMMUNICATIONS PAYMENT - -

INPUT

COMPOSITE DATA SHEET
OFFICE AUTOMATION
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 79.9%

NETWORK COSTS 7.7%

DATALINE COSTS 5.7%

COMPUTING CENTER COSTS 21.1%

EQUIPMENT COSTS 13.2%

DEVELOPMENT COSTS 6.9%

ROYALTY COSTS - -

MARKETING COSTS 29.0%

HEADQUARTERS AND OVER-
HEAD COSTS 15.2%

PROFITS 20.1%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 300

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 35

COMMUNICATIONS PAYMENT \$ 40

INPUT

COMPOSITE DATA SHEET
OFFICE AUTOMATION
1986

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 85.4%

NETWORK COSTS 12.9%

DATALINE COSTS 6.4%

COMPUTING CENTER COSTS 18.1%

EQUIPMENT COSTS 5.5%

DEVELOPMENT COSTS 7.5%

ROYALTY COSTS 9.3%

MARKETING COSTS 27.1%

HEADQUARTERS AND OVER-
HEAD COSTS 10.5%

PROFITS 14.6%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 500

TERMINAL PAYMENT \$ 175

MODEM PAYMENT \$ 40

COMMUNICATIONS PAYMENT \$ 50

COMPOSITE DATA SHEET
DATA BANKS
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 88.0%

NETWORK COSTS 8.9%

DATALINE COSTS 2.0%

COMPUTING CENTER COSTS 11.2%

EQUIPMENT COSTS 9.4%

DEVELOPMENT COSTS 1.1%

ROYALTY COSTS 25.6%

MARKETING COSTS 25.0%

HEADQUARTERS AND OVER-
HEAD COSTS 16.2%

PROFITS 12.0%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 200

TERMINAL PAYMENT \$ 100

MODEM PAYMENT \$ 20

COMMUNICATIONS PAYMENT \$ 20

INPUT

COMPOSITE DATA SHEET
DATA BANKS
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 88.0%

NETWORK COSTS 8.9%

DATALINE COSTS 2.0%

COMPUTING CENTER COSTS 11.2%

EQUIPMENT COSTS 9.4%

DEVELOPMENT COSTS 1.1%

ROYALTY COSTS 25.6%

MARKETING COSTS 25.0%

HEADQUARTERS AND OVER-
HEAD COSTS 16.2%

PROFITS 12.0%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 500

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 20

COMMUNICATIONS PAYMENT \$ 30

INPUT

COMPOSITE DATA SHEET
DATA BANKS
1986

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 88.5%

NETWORK COSTS 9.1%

DATALINE COSTS 5.7%

COMPUTING CENTER COSTS 12.1%

EQUIPMENT COSTS 10.1%

DEVELOPMENT COSTS 2.7%

ROYALTY COSTS 29.5%

MARKETING COSTS 24.0%

HEADQUARTERS AND OVER-
HEAD COSTS 11.1%

PROFITS 11.5%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 800

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 30

COMMUNICATIONS PAYMENT \$ 40

COMPOSITE DATA SHEET
PERSONAL COMPUTING
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 84.7%

NETWORK COSTS 6.1%

DATALINE COSTS 4.1%

COMPUTING CENTER COSTS 22.2%

EQUIPMENT COSTS 17.5%

DEVELOPMENT COSTS 2.8%

ROYALTY COSTS 5.4%

MARKETING COSTS 34.1%

HEADQUARTERS AND OVER-
HEAD COSTS 14.1%

PROFITS 15.3%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 1,000

TERMINAL PAYMENT \$ 100

MODEM PAYMENT \$ 20

COMMUNICATIONS PAYMENT \$ 30

INPUT

COMPOSITE DATA SHEET
PERSONAL COMPUTING
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 82.9%

NETWORK COSTS 5.3%

DATALINE COSTS 3.7%

COMPUTING CENTER COSTS 17.5%

EQUIPMENT COSTS 13.0%

DEVELOPMENT COSTS 4.4%

ROYALTY COSTS 10.5%

MARKETING COSTS 35.2%

HEADQUARTERS AND OVER-
HEAD COSTS 10.0%

PROFITS 17.1%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 1,200

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 30

COMMUNICATIONS PAYMENT \$ 40

COMPOSITE DATA SHEET
PERSONAL COMPUTING
1986

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 82.6%

NETWORK COSTS 6.4%

DATALINE COSTS 1.7%

COMPUTING CENTER COSTS 18.8%

EQUIPMENT COSTS 15.1%

DEVELOPMENT COSTS 2.9%

ROYALTY COSTS 9.2%

MARKETING COSTS 33.0%

HEADQUARTERS AND OVER-
HEAD COSTS 12.3%

PROFITS 17.4%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 1,800

TERMINAL PAYMENT \$ 175

MODEM PAYMENT \$ 40

COMMUNICATIONS PAYMENT \$ 50

INPUT

COMPOSITE DATA SHEET
TRANSACTION PROCESSING
1975

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 78.2%

NETWORK COSTS 7.2%

DATALINE COSTS 3.5%

COMPUTING CENTER COSTS 15.5%

EQUIPMENT COSTS 10.8%

DEVELOPMENT COSTS 5.4%

ROYALTY COSTS 4.5%

MARKETING COSTS 34.2%

HEADQUARTERS AND OVER-
HEAD COSTS 11.4%

PROFITS 21.8%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 1,600

TERMINAL PAYMENT \$ 125

MODEM PAYMENT \$ 20

COMMUNICATIONS PAYMENT \$ 70

COMPOSITE DATA SHEET
TRANSACTION PROCESSING
1980

RCS REVENUE - CATEGORY 100%

TOTAL RCS EXPENSES 79.8%

NETWORK COSTS 6.8%

DATALINE COSTS 4.6%

COMPUTING CENTER COSTS 13.6%

EQUIPMENT COSTS 9.3%

DEVELOPMENT COSTS 4.2%

ROYALTY COSTS 6.8%

MARKETING COSTS 33.4%

HEADQUARTERS AND OVER-
HEAD COSTS 15.0%

PROFITS 20.2%

AVERAGE MONTHLY USER PROFILE

RCS PAYMENT \$ 3,000

TERMINAL PAYMENT \$ 250

MODEM PAYMENT \$ 60

COMMUNICATIONS PAYMENT \$ 200

INPUT

GENERAL ASSUMPTIONS

I. REVENUE DETERMINATION

A. Application Development

1. Use decreasing percentage of RCS utility forecast ranging from 39% in 1975 to 9% in 1986.
 - Utilization of language compilers decreases, i.e., BASIC and FORTRAN.
 - Increased utilization of data base management systems in lieu of compilers. Improved programmer productivity decreases revenues during application development phase.
2. Decreasing percentage of scientific and engineering revenues for all vendors except Control Data Corporation and UIS.

B. Personal Computing

1. The sum of general business RCS revenues @ 25%, scientific and engineering @ 90%, industry specific @ 25% and utility processing @ 40% which includes 10% of DBMS revenues.

C. Data Banks

1. Use increasing percentage of general business @ 2% in 1980 to 5% in 1986, and increasing percentage of industry specific revenues from 2% in 1975 to 10% in 1986 with the exception of National CSS which is higher in 1986.

D. Transaction processing.

1. Remainder of RCS revenue not otherwise accounted for including 80% of DBMS revenues.

E. Office automation.

1. Use increasing percentage of general business ranging from 1% in 1980 to 5% in 1986 with the exception of Tymshare which is forecasted @ 10%.

F. Data entry.

1. Assume 20% of transaction services with a higher percentage for Tymshare due to Tymnet, and ADP due to their dealer services offering.

II. COST DETERMINATIONS

A. Data communications costs include voice.

B. Hotline support for network communications before the development of a network control center is handled by computer center personnel.

C. Large branch offices normally are staffed with one technical communications specialist.

D. Network facilities consist of one room within each major branch location and communications front-ends are co-resident in the computer center. Therefore, facility costs are distributed within computer center and marketing facilities costs until the development of a network control center.

III. USER PROFILE COMMENTS

- A. Monthly user profile depicts 80% of the total RCS vendor customers but a disproportionate amount of the total revenue - about 20-30%.
- B. Terminal devices in 1975 are asynchronous and primarily 15 CPS and lower, by 1980 majority of installed terminals are 30 CPS and lower, 1986 will be 1200 CPS.
- C. Average RCS user utilizes local dial-up communications.

USER PROFILE COMMENTS

- Average monthly RCS payments for transaction processing excludes additional user payments which are included in the application development and data entry categories.
 - The average transaction processing application requires 2-3 months of development time. During this time application development payments reach a peak and then drop to zero. Data entry revenues are assumed to be 20% of transaction processing monthly payments.
 - By 1986 an increasing percentage of vendor supplied transaction processing applications will be "off-the-shelf" and industry-specialized. Consequently user application development payments for "customized" applications will be reduced.
- Monthly terminal payments reflected in user the profile for 1980 are lower than those shown in user profiles by revenue category based upon composite revenue analysis.

TYMNET REVENUES AND EXPENSE ANALYSIS
1980

COST ANALYSIS

	<u>TOTAL TYMNET</u>	<u>TYMSHARE</u>	<u>OTHER</u>
NETWORK COSTS	\$ 21,700,000	\$ 9,800,000	\$ 11,900,000
DATA COMMUNICATION LINES	11,200,000	6,000,000	5,200,000
EQUIPMENT	6,500,000	2,500,000	4,000,000
PEOPLE	4,000,000	1,300,000	2,700,000
COMPUTER CENTER COSTS	-	-	-
DEVELOPMENT COSTS	4,100,000	-	4,100,000
MARKETING COSTS	2,500,000	-	2,500,000
HEADQUARTERS AND OVERHEAD	<u>3,900,000</u>	<u>-</u>	<u>3,900,000</u>
 TOTAL COST	 \$ 32,200,000	 \$ 9,800,000	 \$ 22,400,000

PROFIT ANALYSIS

TOTAL REVENUES (1980)	\$ 37,000,000	\$11,300,000	\$ 25,700,000
 TOTAL EXPENSE (1980)	 \$ 32,200,000	 \$ 9,800,000	 \$ 22,400,000
 PROFIT	 \$ 4,800,000	 \$ 1,500,000	 \$ 3,300,000

TYMNET REVENUES AND EXPENSE ANALYSIS
1975, 1986

	<u>1975</u>	<u>1986</u>
REVENUE	\$ 7,400,000	\$133,000,000
TYMSHARE	5,100,000	56,000,000
OTHER	2,300,000	77,000,000
EXPENSE	\$ 6,430,000	\$115,500,000
PROFIT	\$ 970,000	\$ 17,500,000

